



Single Audit Report Year Ended June 30, 2025

Yuma/La Paz Counties Community College District (Arizona Western College)



Lindsey A. Perry
Auditor General

Arizona Auditor General's mission

The Arizona Auditor General's mission is to provide independent and impartial information, impactful recommendations, and stakeholder education to improve Arizona government for its citizens. To this end, the Office conducts financial statement audits and provides certain accounting services to the State and political subdivisions, investigates possible criminal violations involving public officials and public monies, and conducts performance audits and special reviews of school districts, State agencies, and the programs they administer.

The Joint Legislative Audit Committee

The Joint Legislative Audit Committee consists of 5 Senate members appointed by the Senate President and 5 House members appointed by the House Speaker. The Committee is responsible for overseeing the Office, including (1) overseeing all audit functions of the Legislature and State agencies, including sunset, performance, special, and financial audits; special research requests; and the preparation and introduction of legislation resulting from audit report findings; (2) requiring State agencies to comply with audit findings and recommendations; (3) receiving status reports regarding the progress of school districts to implement recommendations; and (4) scheduling hearings to review the status of State agencies and school districts.

Senator **Mark Finchem**, Co-chairman

Senator **Flavio Bravo**

Senator **Tim Dunn**

Senator **David C. Farnsworth**

Senator **Catherine Miranda**

Senator **Warren Petersen** (ex officio)

Representative **Matt Gress**, Chairman

Representative **Michael Carbone**

Representative **Michele Peña**

Representative **Stephanie Stahl-Hamilton**

Representative **Betty Villegas**


Representative **Steve Montenegro** (ex officio)

Audit staff

Katherine Edwards Decker, Director

David Glennon, Manager

Contact information

 (602) 553-0333

 contact@azauditor.gov

 www.azauditor.gov

2910 N. 44th St., Ste. 410
Phoenix, AZ 85018-7271

TABLE OF CONTENTS

AUDITORS' SECTION

INDEPENDENT AUDITORS' REPORT on internal control over financial reporting and on compliance and other matters based on an audit of basic financial statements performed in accordance with *Government Auditing Standards* 1

INDEPENDENT AUDITORS' REPORT on compliance for each major federal program; report on internal control over compliance; and report on schedule of expenditures of federal awards required by the Uniform Guidance 3

SCHEDULE OF FINDINGS AND QUESTIONED COSTS 7

SUMMARY OF AUDITORS' RESULTS 7

FINANCIAL STATEMENT FINDINGS

FINANCIAL STATEMENT FINDING: 2025-01 8

The District awarded 5 performance-based stipends totaling \$30,000 without having written procedures in accordance with a District Governing Board-approved policy

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

FEDERAL AWARD FINDING: 2025-101 10

The District failed to report complete, accurate information on the federal reporting system, risking transparent reporting on 1 subaward

DISTRICT SECTION 12

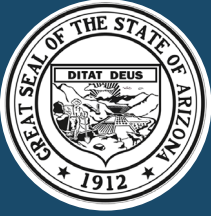
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

DISTRICT RESPONSE AND CORRECTIVE ACTION PLAN

REPORT ISSUED SEPARATELY

Annual Financial Report



**ARIZONA
AUDITOR
GENERAL**

Lindsey A. Perry, Auditor General

Independent auditors' report on internal control over financial reporting and on compliance and other matters based on an audit of basic financial statements performed in accordance with *Government Auditing Standards*

Members of the Arizona State Legislature

The Governing Board of
Yuma/La Paz Counties Community College District

We have audited, in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the U.S. Comptroller General, the financial statements of the business-type activities and discretely presented component unit of Yuma/La Paz Counties Community College District as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated March 31, 2026. Our report includes a reference to other auditors who audited the financial statements of the Arizona Western Foundation, the discretely presented component unit, as described in our report on the District's financial statements. The Foundation's financial statements were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the Foundation.

Report on internal control over financial reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's basic financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on compliance and other matters

As part of obtaining reasonable assurance about whether the District's basic financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and that is described in the accompanying schedule of findings and questioned costs as item 2025-01.

District response to findings

Government Auditing Standards requires the auditor to perform limited procedures on the District's responses to the findings identified in our audit that are presented in its corrective action plan at the end of this report. The District is responsible for preparing a corrective action plan to address each finding. The District's responses and corrective action plan were not subjected to the other auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.

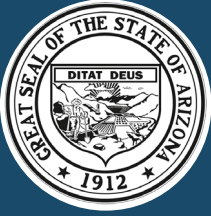
Purpose of this report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Lindsey A. Perry

Lindsey A. Perry, CPA, CFE
Auditor General

March 31, 2026



**ARIZONA
AUDITOR
GENERAL**

Lindsey A. Perry, Auditor General

Independent auditors' report on compliance for each major federal program; report on internal control over compliance; and report on schedule of expenditures of federal awards required by the Uniform Guidance

Members of the Arizona State Legislature

The Governing Board of
Yuma/La Paz Counties Community College District

Report on compliance for each major federal program

Opinion on each major federal program

We have audited Yuma/La Paz Counties Community College District's compliance with the types of compliance requirements identified as subject to audit in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for opinion on each major federal program

We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the U.S. Comptroller General, and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the auditors' responsibilities for the audit of compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Management's responsibilities for compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the District's federal programs.

Auditors' responsibilities for the audit of compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with U.S. generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with U.S. generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- ▶ Exercise professional judgment and maintain professional skepticism throughout the audit.
- ▶ Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- ▶ Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, we express no such opinion.

We are required to communicate with those charged with governance regarding, among other matters, the audit's planned scope and timing and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other matters

The results of our auditing procedures disclosed an instance of noncompliance that is required to be reported in accordance with the Uniform Guidance and that is described in the accompanying schedule of findings and questioned costs as item 2025-101. Our opinion on each major federal program is not modified with respect to this matter.

Report on internal control over compliance

Our consideration of internal control over compliance was for the limited purpose described in the auditors' responsibilities for the audit of compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance, and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified a certain deficiency in internal control over compliance that we consider to be a material weakness.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2025-101 to be a material weakness.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

District response to findings

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the noncompliance and internal control over compliance findings that are presented in its corrective action plan at the end of this report. The District is responsible for preparing a corrective action plan to address each finding. The District's responses and corrective action plan were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on them.

Report on schedule of expenditures of federal awards required by the Uniform Guidance

We have audited the financial statements of the District's business-type activities and discretely presented component unit as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated March 31, 2026, that contained unmodified opinions on those financial statements. Our report also included a reference to our reliance on other auditors. Our

audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of the District's management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Lindsey A. Perry

Lindsey A. Perry, CPA, CFE
Auditor General

March 31, 2026

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Summary of auditors' results

Financial statements

Type of auditors' report issued on whether the financial statements audited were prepared in accordance with U.S. generally accepted accounting principles Unmodified

Is a going concern emphasis-of-matter paragraph included in the auditors' report? No

Internal control over financial reporting

Material weaknesses identified? No

Significant deficiencies identified? None reported

Noncompliance material to the financial statements noted? No

Federal awards




Internal control over major federal program(s)

Material weaknesses identified? Yes

Significant deficiencies identified? None reported

Any audit findings disclosed that are required to be reported in accordance with 2 CFR §200.516(a)? Yes

Identification of major federal program(s) and types of auditors' reports issued on compliance

Assistance Listings number(s)	Name of federal program or cluster	Auditors' report type
81.117	Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training and Technical Analysis/ Assistance	 Unmodified
84.007, 84.033, 84.063, 84.268	Student Financial Assistance Cluster	 Unmodified
84.116	Fund for the Improvement of Postsecondary Education	 Unmodified

Dollar threshold used to distinguish between Type A and Type B programs \$750,000

Auditee qualified as low-risk auditee? No

The District awarded 5 performance-based stipends totaling \$30,000 without having written procedures in accordance with a District Governing Board-approved policy

Condition

Contrary to District Governing Board (Board) bylaws, the Yuma/La Paz Counties Community College District (District) awarded 5 performance-based stipends totaling \$30,000 to members of the president's cabinet during fiscal year 2025 without having written procedures in accordance with a Board-approved policy. The District president approved these performance-based stipends as a result of the District meeting its performance goals for the 2023-2024 academic year. However, the District did not document how each cabinet member personally contributed toward the performance goals to support the amount awarded to each of them.

In addition, the District did not include performance-based stipend payments in its Board-approved 2024-2025 budget; however, the funds utilized for these stipends were paid from the General Fund. District management reported the stipend payments did not result in the District exceeding its established spending limitations.

Effect

By not having a procedure that guides how the performance-based stipends are awarded to employees and documented in District records, the District is at risk of not providing transparency with its compensation strategies. Further, lack of procedures and records of awarding performance-based stipends may create uncertainty for employees who are trying to achieve performance goals for additional pay.

Cause

District management reported that they started issuing performance-based stipends in fiscal year 2023 and their interpretation of the bylaws and District policy framework was that the Board, through its bylaws, delegated to the District president broad authority to award performance-based stipends. However, the bylaws also require the District president and their staff to develop procedures, rules, and regulations for the operation and administration of the District in accordance with a Board-approved policy, and this was not considered prior to awarding the performance-based stipends.

Criteria

The bylaws require that each action the Board authorizes must be related to a policy, and the District president and their staff must develop procedures, rules, and regulations for the operation and administration of the District in accordance with a Board-approved policy (District Governing

Board Bylaws, IX [6]).¹ Further, designing, implementing, and maintaining effective policies and procedures for supporting and documenting financial decisions is an essential part of internal control standards, such as the Standards for Internal Control in the Federal Government, issued by the Comptroller General of the United States.²

Recommendation to the District

1. Develop and implement written procedures for awarding performance-based stipends, including defining and documenting criteria, funding parameters and sources, and the public purpose, in accordance with a Board-approved policy.

Views of responsible officials

District management concurs with this finding. The District's corrective action plan at the end of this report includes the views and planned corrective action of its responsible officials regarding these recommendations. We are not required to audit and have not audited these responses and planned corrective actions and therefore provide no assurances as to their accuracy.

¹ The District's procedure 405.1, *Stipend and Additional pay For Exempt Employees*, does not apply to performance-based stipends. Rather, it provides guidelines for exempt employees who perform work and provide additional services for the College through special projects and grants, outside of the regular work schedule and outside the primary scope and function of the employee's role with the institution. Retrieved 2/19/2026 from <https://www.azwestern.edu/sites/default/files/documents/policies-and-procedures/Procedure%20405-1%20Stipend%20and%20Additional%20Pay.pdf>

² U.S. Government Accountability Office. (2014). *Standards for internal control in the federal government*. Washington, DC. Retrieved 3/24/2026 from <https://www.gao.gov/assets/670/665712.pdf>

The District failed to report complete, accurate information on the federal reporting system, risking transparent reporting on 1 subaward

Assistance Listings number(s) and name(s):

81.117 Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training and Technical Analysis/ Assistance

Award number(s) and year(s):

DE-MS0000054 April 1, 2024 through March 31, 2025

Federal agency: U.S. Department of Energy

Compliance requirement: Reporting

Questioned costs: Not applicable

Condition

Contrary to federal laws and regulations, Yuma La Paz Counties Community College District (District) failed to report certain information on the federal government's reporting system for a subaward of \$314,522 it made to a subrecipient for the program. Specifically, the District did not report any required information about 1 subaward, including the subaward organization's name and subaward amount and terms, during fiscal year 2025.

Effect

The District's stakeholders and the public did not have access to transparent, timely, and accurate information about the District's federal award spending decisions on USAspending.gov as required by federal laws and regulations. Additionally, the District is at risk that this finding applies to other programs it administers.

During fiscal year 2025, the District was at risk of not transparently reporting its subaward information related to \$228,986 of federal monies it spent related to the subrecipient's expenditures, or 54% of the District's total \$422,987 expended, for this program.

Cause

The District employee responsible for managing the grant award failed to inform District management of additional award terms and conditions that required the District to comply with Federal Funding Accountability and Transparency Act (FFATA) reporting requirements, and the District's process for reviewing grant awards prior to authorizing the expenditure of grant funds lacked procedures to identify all reporting requirements.

Criteria

The FFATA and federal Uniform Guidance regulations require the District, as a direct recipient of federal awards, to report certain information about each subaward action equaling or exceeding \$30,000 in federal monies on the FFATA Subaward Reporting System no later than month-end of the month following the subaward action so that the information can be displayed to the public on USA Spending.gov.¹ Specifically, the federal Uniform Guidance requires the District to report the subrecipient organization's name, award amount, award term, and other information about the subaward, if applicable, for each subaward action equaling or exceeding the \$30,000 threshold (2 CFR §170 and Appendix A to Part 170).

Further, federal guidelines require establishing and maintaining effective internal control over federal awards that provides reasonable assurance that federal programs are being managed in compliance with all applicable laws, regulations, and award terms (2 CFR §200.303).

Recommendations to the District

1. Immediately report the required information for this program subaward on the FFATA Subaward Reporting System.
2. Improve the District's process for reviewing grant awards prior to authorizing the expenditure of grant funds by developing a procedure to identify all reporting requirements.

Views of responsible officials

District management concurs with this finding. The District's corrective action plan at the end of this report includes the views and planned corrective action of its responsible officials regarding these recommendations. We are not required to audit and have not audited these responses and planned corrective actions and therefore provide no assurances as to their accuracy.

¹ The FFATA of 2006 (Public Law 109-282), as amended by section 6202 of Public Law 110-252, was enacted to provide the public with transparency on federal award spending to hold the recipient government accountable for each spending decision and to help reduce wasteful spending of federal monies. As such, federal Uniform Guidance requires reporting on the FFATA Subaward Reporting System at <https://www.SAM.gov>.

The District prepared the subsequent pages of this document.

Schedule of expenditures of federal awards and related notes

This schedule includes the District's federal grant activity for the fiscal year and the related notes, which are an integral part of the schedule and describe the significant accounting policies used in preparing the schedule and other disclosures as required by 2 Code of Federal Regulations (CFR) §200.510(b).

The results of our auditing procedures on this schedule are described in the independent auditors' report on compliance for each major federal program; report on internal control over compliance; and report on schedule of expenditures of federal awards required by the Uniform Guidance.

District response and corrective action plan

The District response and corrective action plan includes the District's response to each finding identified in our audit, including the District's corrective action plan and anticipated completion date to implement our audit finding recommendations, as required by 2 CFR §200.511(c).

We are not required to audit and have not audited these responses and planned corrective actions and therefore provide no assurances as to their accuracy.

**YUMA/LA PAZ COUNTIES COMMUNITY COLLEGE DISTRICT (ARIZONA WESTERN COLLEGE)
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR YEAR ENDED JUNE 30, 2025**

<i>Federal Awarding Agency/Program Title</i>	<i>Assistance Listings Number</i>	<i>Additional Award Identification (Optional)</i>	<i>Name of Funder Pass-Through Entity</i>	<i>Identifying Number Assigned By Funder Pass-Through Entity</i>	<i>Total Amount Provided to Sub-Recipients</i>	<i>Federal Expenditures</i>	<i>Federal Program Total</i>	<i>Cluster Name</i>	<i>Cluster Total</i>
DEPARTMENT OF AGRICULTURE									
HISPANIC SERVING INSTITUTIONS EDUCATION GRANTS	10.223					\$9,394	\$9,394	N/A	\$0
GROWING OPPORTUNITIES FOR AGRICULTURAL LEARNING IN THE SOUTHWEST (GOALS) NIFA	10.310					\$74,267	\$74,267	N/A	\$0
TOTAL DEPARTMENT OF AGRICULTURE						<u>\$83,661</u>			
DEPARTMENT OF COMMERCE									
<i>ECONOMIC ADJUSTMENT ASSISTANCE</i>	11.307		CITY OF TUCSON	072938799		\$4,680	\$4,680	N/A	\$0
TOTAL DEPARTMENT OF COMMERCE						<u>\$4,680</u>			
DEPARTMENT OF LABOR									
<i>WIOA ADULT PROGRAM</i>	17.258		YUMA PRIVATE INDUSTRY COUNCIL	AH23-07-01/AdultFullServices		\$472,421	\$472,421	WIOA CLUSTER	\$472,421
TOTAL DEPARTMENT OF LABOR						<u>\$472,421</u>			
NATIONAL SCIENCE FOUNDATION									
<i>STEM EDUCATION (FORMERLY EDUCATION AND HUMAN RESOURCES)</i>	47.076		INSTITUTE FOR FUTURE INTELLIGENCE	2329563-AWC		\$4,270	\$4,270	N/A	\$0
TOTAL NATIONAL SCIENCE FOUNDATION						<u>\$4,270</u>			
SMALL BUSINESS ADMINISTRATION									
<i>SMALL BUSINESS DEVELOPMENT CENTERS</i>	59.037		MARICOPA COUNTY COMMUNITY COLLEGE DISTRICT	SBAOEDS8240114		\$152,412	\$152,412	N/A	\$0
TOTAL SMALL BUSINESS ADMINISTRATION						<u>\$152,412</u>			
US DEPARTMENT OF ENERGY									
ENERGY EFFICIENCY AND RENEWABLE ENERGY INFORMATION DISSEMINATION, OUTREACH, TRAINING AND TECHNICAL ANALYSIS/ASSISTANCE	81.117					\$234,136	\$422,987	N/A	\$0
TOTAL DEPARTMENT OF ENERGY						<u>\$422,987</u>			
ARIZONA DEPARTMENT OF EDUCATION									
<i>ADULT EDUCATION - BASIC GRANTS TO STATES</i>	84.002		ARIZONA DEPARTMENT OF EDUCATION	25FABSM-512101-01A 25FEAEWF-512101-01	\$900	\$150,110	\$150,110	N/A	\$0
FEDERAL SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANTS	84.007					\$570,217	\$570,217	STUDENT FINANCIAL ASSISTANCE CLUSTER	\$21,635,609
FEDERAL WORK-STUDY PROGRAM	84.033					\$403,957	\$403,957	STUDENT FINANCIAL ASSISTANCE CLUSTER	\$21,635,609
TRIO STUDENT SUPPORT SERVICES	84.042					\$449,351	\$449,351	TRIO CLUSTER	\$1,147,557
TRIO TALENT SEARCH	84.044					\$353,672	\$353,672	TRIO CLUSTER	\$1,147,557
TRIO UPWARD BOUND	84.047					\$344,534	\$344,534	TRIO CLUSTER	\$1,147,557
<i>CAREER AND TECHNICAL EDUCATION -- BASIC GRANTS TO STATES</i>	84.048		ARIZONA DEPARTMENT OF EDUCATION	24FCTDBG-412101-20A 25FCTDBG-512101-20A		\$667,586	\$667,586	N/A	\$0
CAREER AND TECHNICAL EDUCATION -- NATIONAL PROGRAMS	84.051				\$216,035	\$566,996	\$566,996	N/A	\$0
FEDERAL PELL GRANT PROGRAM	84.063		YAVAPAI COMMUNITY COLLEGE DISTRICT	N/A		\$20,317,953	\$20,317,953	STUDENT FINANCIAL ASSISTANCE CLUSTER	\$21,635,609
<i>FUND FOR THE IMPROVEMENT OF POSTSECONDARY EDUCATION</i>	84.116					\$1,188,195	\$1,188,195	N/A	\$0
MIGRANT EDUCATION - COLLEGE ASSISTANCE MIGRANT PROGRAM	84.149					\$450,506	\$450,506	N/A	\$0
FEDERAL DIRECT STUDENT LOANS	84.268					\$343,482	\$343,482	STUDENT FINANCIAL ASSISTANCE CLUSTER	\$21,635,609
CHILD CARE ACCESS MEANS PARENTS IN SCHOOL	84.335					\$2,526	\$2,526	N/A	\$0
<i>EDUCATION INNOVATION AND RESEARCH</i>	84.411		CENTER FOR THE FUTURE OF ARIZONA	N/A		\$18,413	\$18,413	N/A	\$0
TOTAL DEPARTMENT OF EDUCATION						<u>\$25,827,498</u>			
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES									
<i>COVID-19 MEDICAL ASSISTANCE PROGRAM</i>	93.778		MARICOPA COUNTY COMMUNITY COLLEGE	YH823-0016		\$390,960	\$390,960	N/A	\$0
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES						<u>\$390,960</u>			
TOTAL SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS						<u>\$451,071</u>	<u>\$27,358,890</u>		

Please Note:
Italicized award lines indicate pass-through funding.

The accompanying Notes to the Schedule of Expenditures of Federal Awards are an integral part of the schedule.

YUMA/LA PAZ COUNTIES COMMUNITY COLLEGE DISTRICT (ARIZONA WESTERN COLLEGE)
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Fiscal Period 7/1/2024 - 6/30/2025

Note 1 - Basis of presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Yuma/LaPaz Counties Community College District for the year ended June 30, 2025. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

Note 2 - Summary of significant accounting policies

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

Note 3 - Federal Assistance Listings numbers

The program titles and Federal Assistance Listings numbers were obtained from the federal or pass-through grantor or the 2025 Federal Assistance Listings.

Note 4 - Indirect cost rate

The District did not elect to use the 15 percent de minimis indirect cost rate as covered in 2 CFR §200.414.



March 18, 2026

Lindsey A. Perry
Arizona Auditor General
2910 N. 44th St., Ste. 410
Phoenix, AZ 85018

Dear Ms. Perry:

We have prepared the accompanying corrective action plan as required by the standards applicable to financial audits contained in *Government Auditing Standards* and by the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Specifically, for each finding we are providing you with our responsible officials' views, the names of the contact people responsible for corrective action, the corrective action planned, and the anticipated completion date.

Sincerely,

A handwritten signature in black ink that reads 'Czarina Gallegos'.

Czarina Gallegos
Vice President of Financial
and Administrative Services

Financial Statement Finding

Finding Number: 2025-01

The District awarded 5 performance-based stipends totaling \$30,000 without having a written procedures in accordance with District Governing Board-approved policy.

Contact Person: Czarina Gallegos, Vice President for Financial and Administrative Services

Anticipated Completion Date: September 30, 2026

Corrective Action:

- Review existing District Governing Board bylaws and policies to identify the appropriate policy framework under which performance-based stipend procedures should be developed.
- Develop comprehensive written procedures for awarding performance-based stipends that include clear performance criteria and metrics. Incorporate approved procedures into the District's policy and procedure framework, ensuring accessibility to employees.
- Require that all future performance-based stipend awards include documented justification with specific performance.
- The Vice President for Financial and Administrative Services will oversee compliance and adherence to the established procedures.

These measures will ensure transparency, accountability, and compliance with District Governing Board bylaws while providing clear guidance to employees regarding performance-based compensation opportunities.

Submitted by: Czarina Gallegos, Vice President for Financial and Administrative Services, Arizona Western College, March 2026

Federal Compliance Findings

Finding Number: 2025-101

The District did not report required subaward information for a \$314,522 subaward under U.S. Department of Energy Assistance Listing 81.117 (Energy Efficiency and Renewable Energy) in accordance with the Federal Funding Accountability and Transparency Act (FFATA) and Uniform Guidance 2 CFR Part 200. Required data, including the subrecipient organization's name, subaward amount, and terms, was not submitted to the FFATA Subaward Reporting System (FSRS) on USAspending.gov during fiscal year 2025.

Contact Person: Wendy Wrenn, Director, Financial Services/Controller

Anticipated Completion Date: June 30, 2026

Corrective Action:

- **Immediate:** Submit the overdue FFATA report and review all active federal awards to identify and remediate missed reporting. Finalize SAM.gov access.
- **Long-Term:** Implement a formal FFATA compliance procedure in addition to our current procedure and update the grant intake checklist to verify applicability, subrecipient info, deadlines, and responsible staff.
- **Oversight & Monitoring:** Establish a centralized compliance calendar with automated reminders, conduct staff training within 60 days of each fiscal year, and perform quarterly compliance monitoring. The Director of Financial Services and Controller will oversee adherence.

These measures will ensure timely, accurate, and transparent reporting for the Clean Energy Grant and all future federal awards, strengthening internal controls and sustaining compliance.

Submitted by: Czarina Gallegos, Vice President for Financial and Administrative Services, Arizona Western College, March 2026